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How AMS Works With Cooperatives

Most U.S. Department of Agriculture services that facilitate and regulate the marketing of this Nation's farm products are centered in the Agricultural Marketing Service. AMS does much of its work with and for farmer cooperatives.

Marketing agreements and orders, which are administered by AMS, are self-help farmer programs, usually initiated by cooperatives. Government participation in these programs insures that the agreements and orders will be applied uniformly and equitably and will operate in the public interest.

Development and success of marketing agreements and orders--for milk, fruits, vegetables, and a few other products--depend to a great extent on cooperative leadership.

Grade standards and grading services are available from AMS for the principal farm commodities. Many cooperatives employ these grading services as an effective way to control quality; they carry the USDA grade shield on their packaging to enhance their brand image and facilitate marketing and sales.

Warehouse licensing and inspection by AMS in its administration of the U. S. Warehouse Act safeguards millions of dollars worth of stored farm products owned by farmer cooperatives or their members. Warehouse licensing is a service that must be applied for and is provided only to warehouses that can qualify. Receipts for products stored in warehouses licensed by AMS can be bought, sold, or used to obtain credit.

Other regulatory programs administered by AMS--such as the Packers and Stockyards Act, the Perishable Agricultural Commodities Act, the Federal Seed Act--both regulate and protect farmer cooperatives as well as other private marketing firms. These acts set out rules of fair trading that protect the rights of growers, processors, those engaged in marketing, and the general public.

Other services of AMS used to advantage by cooperatives include:

AMS represents farmer cooperatives and other agricultural interests before transportation regulatory bodies and carrier rate bureaus, to provide improved transport services and more reasonable rates for farm products.

The Federal-State market news service which collects and distributes nationwide statistics on prices, supply, and demand for farm products.

Federal-State Marketing Service Matching Fund program administered by AMS. In this program, States receive Federal funds, which they match with State funds to provide marketing services at the State level. An increasing amount of these services is being directed toward helping producer groups and local marketing agencies organize their selling and bargaining efforts.

Surplus removal activities and purchases made to supply the School Lunch and Food Distribution programs. Under these programs, AMS buys large amounts of food from farmer cooperatives along with other businesses. These purchases help stabilize markets and prices for the products.

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